

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01  
DOE-15 /122 W

-----116178 260619Z /13

R 251644Z MAY 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC 3068

UNCLAS ROME 9722

SECSTATE PASS AGRICULTURE/FAS FOR WHITE

E.O. 11652: N/A

TAGS: EAGR, IT

SUBJ: MTN PROCUREMENT CODE

REF: FASTO CIR. 211

1. AIMA, THE ITALIAN GOVERNMENT INTERVENTION AGENCY, WHICH MANAGES THE ITALIAN EC PRICE SUPPORT PROGRAMS, IN ITS EFFORT TO CURB INFLATION DURING RECENT YEARS HAS BECOME ACTIVE IN THE PURCHASE OF WHEAT AND OTHER PRODUCTS INCLUDING BUTTER, FROZEN BEEF AND OLIVE OIL. MOST OF THESE PURCHASES HAVE BEEN FROM EC SURPLUS STOCKS. THEY REACHED A RECORD HIGH IN 1977 OF AN ESTIMATED 120 BILLION LIRE. INCLUDED WAS 500,000 METRIC TONS OF SOFT THEAT TRANSFERRED FROM OTHER EC MEMBERS, WITH FREIGHT PAID BY FEOGA FUNDS. AIMA PURCHASED DURUM WHEAT FOR THE FIRST TIME SEVERAL MONTHS AGO. RIGID SPECIFICATIONS APPARENTLY WERE AIMED AT EXCLUDING OTHER THAN CANADIAN SUPPLIERS FOR THE 500,000 TONS PURCHASED. OUR PROTESTS HAVE ELICITED A PROMISE THAT FUTURE WHEAT PURCHASE SPECIFICATIONS WILL NOT PRECLUDE U.S. BIDS.

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2. THE ITALIAN MONOPOLY ANNUALLY PURCHASES SOME 150 BILLION LIRE WOTH OF TOBACCO, ABOUT 50 BILLION COMING FROM ABROAD. THE U.S. SUPPLIES ABOUT 80 PERCENT OF THE LATTER.

3. MOST MAJOR MUNICIPALITIES HAVE "ENTE COMUNALE ASSISTENZA" DESIGNED TO STABILIZE PRICES AT THE LOWEST POSSIBLE LEVEL, AND TO ASSURE FOR THEIR RESIDENTS SUPPLIES OF BASIC FOOD ITEMS.

BULK PURCHASES ARE ALLOCATED TO INDIVIDUAL VENDORS WHOSE OPERATIONS ARE SUBJECT TO THE ENTES' CONTROL. MOST PURCHASES ARE FROM DOMESTIC FIRMS, BUT IN RECENT YEARS CHEESE, MEAT AND SOME OTHER ITEMS HAVE BEEN BOUGHT FROM FOREIGN SUPPLIERS. THEIR TOTAL TURNOVER IS ESTIMATED AT 100 BILLION LIRE. ENTES TEND TO BUY FROM RESTRICTED LISTS OF SUPPLIERS, AND DETAILS OF THEIR OPERATIONS ARE GENERALLY NOT MADE PUBLIC. PURCHASES BY SOME SEEM TO BE DIRECTED TOWARDS PARTICULAR EASTERN EUROPEAN SUPPLIERS.

4. PURCHASES BY THE MILITARY, PRISONS AND HOSPITALS ARE DECENTRALIZED, EACH UNIT BUYING IN LOCAL MARKETS APPARENTLY ON A NON-DISCRIMINATORY BASIS. ANNUAL PURCHASES OF ALL FOOD ITEMS ROUGHLY ESTIMATED AT 600 BILLION LIRE. THERE ARE NO SCHOOL LUNCH TYPE PROGRAMS.GARDNER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INFLATION, FOODS, PRICES  
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**Copy:** SINGLE  
**Draft Date:** 25 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Comment:**  
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**Executive Order:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
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